

and Directors of the Bank of the State of South Carolina is here presented in the following words:—

“We may, perhaps, assume it as a principle applicable to all stages of society, that the active capital of a country bears a fair and reasonable proportion to that which is fixed and permanent, whenever real can be readily sold or converted into active property at a fair valuation; or, whenever money can be obtained readily at a reasonable rate of interest on secure mortgages of real estate. We consider this last as probably the best test which exist in this difficult inquiry.”

And for the purpose of manifesting the beneficial effects and **CREATIVE POWERS** of this improvement of the **SOVEREIGN RIGHT**, a further illustration from the same memoir is extracted in terms as follows:—

“We have, fortunately, before us a memorable fact. When the bank of the State of South Carolina was established, Columbia was but a small village, with few improvements and little commerce. It was supposed when the Branch of our Bank was established in this place, that one hundred thousand dollars could be used, and that two hundred thousand dollars might be tried. After the experience of six years, after the capital of this branch had been enlarged to nine hundred thousand dollars, the Board of Directors now declare that two, perhaps three millions of dollars could be safely and advantageously employed. With this creation of capital the improvement and commerce of Columbia has steadily advanced. This has excited and we hope will continue to excite universal attention,”

The propriety of improving the principle of banking for *the common benefit of the whole country* has extensively engaged the public attention in England. And among the number of valuable essays, which have appeared in the discussion of that topic, an article from the pen of an eminent writer in the Quarterly review is most conspicuous.

In the prosecution of the subject, he speaks of the injurious operation of the present banking system in England, which is mainly that which produces a similar influence in the United States, upon the interests of land and labour; and of its tendency to accumulate the mass of circulating medium in the cities, in contradistinction to a public bank with branches in different parts of the country, as follows:—

“Hence the productive classes, and more especially the class engaged in agriculture, can no longer command that accommodation which they had been accustomed to re-